



CUMBERLAND REGIONAL COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 2009

Nipawin
P.O. Box 2225
Nipawin SK
S0E 1E0
P 862-9833
F 862-4940

Letter of Transmittal

October 16, 2009

Melfort
P.O. Box 2320
Melfort SK
S0E 1A0
P 752-2786
F 752-3484

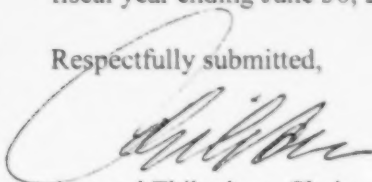
Honourable Rob Norris
Minister of Advanced Education, Employment
& Labour
Room 208, Legislative Building
Regina SK S4S 0B3

Dear Minister Norris:

Tisdale
P.O. Box 967
Tisdale SK
S0E 1T0
P 873-2525
F 873-4450

On behalf of the Board of Directors of Cumberland Regional College, and in accordance with the provisions of *The Regional Colleges Act*, I am pleased to submit the audited financial statements of Cumberland Regional College for the fiscal year ending June 30, 2009.

Respectfully submitted,



Armand Thibodeau, Chair
Cumberland Regional College

Hudson Bay
P.O. Box 207
Hudson Bay SK
S0E 0Y0
P 865-2175
F 865-2314

CUMBERLAND REGIONAL COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 2009

NeuPath Group, PC Inc.

Chartered Accountants

Board of Directors
Cumberland Regional College
Nipawin, Saskatchewan

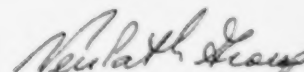
AUDITORS' REPORT

We have audited the statement of financial position of Cumberland Regional College as at June 30, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. The College's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

September 21, 2009
Nipawin, Saskatchewan


Chartered Accountants

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2009

Statement 1

	Operating Fund	Capital Fund	2009 Total	2008 Total
ASSETS				
Current Assets				
Cash	\$ 1,206,399	\$ 2,591,408	\$ 3,797,807	\$ 3,435,915
Accounts receivable (note 3)	555,619	-	555,619	237,728
Prepaid expenses	31,816	-	31,816	33,984
	1,793,834	2,591,408	4,385,242	3,707,627
Capital assets (note 4)	-	904,131	904,131	865,019
	\$ 1,793,834	\$ 3,495,539	\$ 5,289,373	\$ 4,572,646
LIABILITIES				
Current Liabilities				
Accrued salaries and benefits	\$ 145,930	\$ -	\$ 145,930	\$ 152,471
Accounts payable and accrued liabilities (note 6)	191,777	-	191,777	109,920
Unearned revenue (note 7)	800,998	-	800,998	424,200
	1,138,705	-	1,138,705	686,591
NET ASSETS				
Invested in capital assets	-	904,131	904,131	865,019
Externally restricted (note 8)	-	2,061,608	2,061,608	2,109,954
Internally restricted (note 9)	455,129	529,800	984,929	729,077
Unrestricted	200,000	-	200,000	182,005
	655,129	3,495,539	4,150,668	3,886,055
	\$ 1,793,834	\$ 3,495,539	\$ 5,289,373	\$ 4,572,646

APPROVED ON BEHALF OF THE BOARD

[Signature] Director

Peter Waldhille Director

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2009
Statement 2

	Operating Fund			Capital Fund		Total	
	2009 Budget	2009	2008	2009	2008	2009	2008
	(Note 11)						
Revenues (Schedule 1)							
Provincial Government	\$ 4,096,831	\$ 4,805,986	\$ 4,362,381	\$ 20,000	\$ 2,120,000	\$ 4,825,986	\$ 6,482,381
Federal Government	142,521	72,027	49,800	-	-	72,027	49,800
Other revenue	1,384,474	1,723,793	1,437,498	35,557	14,954	1,759,350	1,452,452
	5,623,826	6,601,806	5,849,679	55,557	2,134,954	6,657,363	7,984,633
Expenses (Schedule 2)							
Agency contracts	947,896	1,388,734	1,141,473	-	-	1,388,734	1,141,473
Amortization	-	-	-	105,136	138,916	105,136	138,916
Equipment	112,377	149,342	328,635	-	-	149,342	328,635
Facilities	259,129	221,710	252,870	-	-	221,710	252,870
Information technology	84,202	30,180	52,105	-	-	30,180	52,105
Operating (Schedule 3)	646,460	640,249	652,953	-	-	640,249	652,953
Personnel services	3,793,628	3,857,399	3,685,970	-	-	3,857,399	3,685,970
	5,843,692	6,287,614	6,114,006	105,136	138,916	6,392,750	6,252,922
Excess (deficiency) of revenues over expenses	\$ (219,866)	\$ 314,192	\$ (264,327)	\$ (49,579)	\$ 1,996,038	\$ 264,613	\$ 1,731,711

See accompanying notes

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009
Statement 3

	2009				2008
	Invested in capital assets	Restricted	Unrestricted	Total	Total
Net assets, beginning of year	\$ 865,019	\$ 2,839,031	\$ 182,005	\$ 3,886,055	\$ 2,154,344
Excess (deficiency) of revenues over expenses	(49,579)	-	314,192	264,613	1,731,711
Interfund transfers:					
Investment in capital assets	40,345	-	(40,345)	-	-
Internally imposed restrictions	-	255,852	(255,852)	-	-
Externally imposed restrictions	48,346	(48,346)	-	-	-
Net assets, end of year	\$ 904,131	\$ 3,046,537	\$ 200,000	\$ 4,150,668	\$ 3,886,055

	Balance, beginning of the year	To Restricted	From Restricted	Balance, end of the year
<u>Externally Restricted (Note 8)</u>				
Advanced Education, Employment and Labour Capital Funding	\$ 2,109,954	\$ 35,557	\$ (83,903)	\$ 2,061,608
<u>Internally Restricted (Note 9)</u>				
Operations	74,152		(19,844)	54,308
Professional development reserve	-	46,353	-	46,353
Human resource reserve	142,500	178,468	-	320,968
Furniture/IT reserve	62,500	-	(29,000)	33,500
Capital equipment reserve	149,925	79,875	-	229,800
Building capital reserve	300,000		-	300,000
	729,077	304,696	(48,844)	984,929
	\$ 2,839,031	\$ 340,253	\$ (132,747)	\$ 3,046,537

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009
Statement 4

	2009	2008
Cash flows from (used in) operating activities		
Excess (deficiency) of revenues over expenses	\$ 264,613	\$ 1,731,711
Amortization of capital assets	105,136	138,916
Net change in non-cash working capital (note 10)	136,391	(306,477)
	506,140	1,564,150
Cash flows used in investing activities		
Purchase of capital assets	(144,248)	(251,136)
Net increase in cash	361,892	1,313,014
Cash, beginning of year	3,435,915	2,122,901
Cash, end of year	\$ 3,797,807	\$ 3,435,915

See accompanying notes

1. PURPOSE AND AUTHORITY

The Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocation training to meet the needs of the regional constituents and industry. The Cumberland Regional College is exempt from the payment of income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board, the College is classified as a government not-for-profit organization. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to not-for-profit entities and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives.

(i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College after taking into consideration any associated long term debt. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

(b) Revenue recognition

The College follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets costing under \$500 are expensed in the current year. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows, and amortization is reported as an expense in the capital fund.

Buildings	5%
Leasehold improvements	5%
Furniture and equipment	10% to 33%
Vehicles	20%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Use of estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

(e) Cash

Cash is represented by cash on hand and balances with banks.

(f) Financial instruments

Effective July 1, 2007, the College adopted the recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855 - Financial Instruments - Recognition and Measurement. Under these new standards, all financial assets and financial liabilities must be identified and classified. This classification determines how each financial instrument is measured.

The College's financial instruments and their classification are as follows:

Instrument	Classification
Cash	Held for trading
Accounts receivable	Loans and receivables
Short-term investments	Held for trading
Accrued salaries and benefits	Other liabilities
Accounts payable and accrued liabilities	Other liabilities

Held for trading financial assets and liabilities are measured at fair value. Changes in the fair value are recognized in the Statement of Operations and Changes in Net Assets. Loans and receivables and other financial liabilities are measured at amortized cost. Due to their short term nature, the amortized cost of these instruments approximates their fair value.

Effective July 1, 2008, the College adopted CICA Handbook sections 3862 - Financial Instruments - Disclosures, and 3863 - Financial Instruments - Presentation. Section 3862 provides standards for disclosure of the risks arising from financial instruments to which the College is exposed, and how the risks are managed by the College. Section 3863 provides standards for the presentation of financial instruments and non-financial instrument derivatives.

This change in accounting policy did not have a significant impact on the College's financial statements at the time of adoption.

JUNE 30, 2009

	2009	2008
Saskatchewan Advanced Education, Employment and Labour	\$ 356,485	\$ 119,192
Federal Government	82,242	33,240
Other	116,892	85,296
	\$ 555,619	\$ 237,728

			2009		2008
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings		\$ 1,363,935	\$ 676,433	\$ 687,502	\$ 725,974
Leasehold improvements		258,242	161,478	96,764	109,676
Furniture and equipment		701,439	665,477	35,962	29,369
Vehicles		23,486	23,486	-	-
Construction in progress		83,903	-	83,903	-
		\$ 2,431,005	\$ 1,526,874	\$ 904,131	\$ 865,019

2010	\$	25,665
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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Provincial Government	\$ 8,350	\$ 5,643
Federal Government	6,087	1,512
Other	177,340	102,765
	\$ 191,777	\$ 109,920

7. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2009	2008
Saskatchewan Advanced Education, Employment and Labour	\$ 800,998	\$ 405,623
Other	-	18,577
	\$ 800,998	\$ 424,200

8. EXTERNAL RESTRICTIONS ON NET ASSETS

Advanced Education, Employment and Labour has funded \$2,061,608 (2008 - \$2,109,954) designated capital contributions to be used for future capital expenditures as per Statement 3. These externally restricted amounts are not available for other purposes without approval of Advanced Education, Employment and Labour.

9. INTERNAL RESTRICTIONS ON NET ASSETS

During the year the Board of Directors reallocated \$215,000 (2008- \$15,446) within the internally restricted fund to be used for various purposes as indicated on Statement 3. During the year the Board of Directors approved the transfer of \$304,696 (2008 - nil) from unrestricted net assets to internally restricted net assets. The Board of Directors also approved the transfer of \$48,844 (2008 - \$530,910) from internally restricted net assets to unrestricted net assets.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	2009	2008
Accounts receivable	\$ (317,891)	\$ (36,236)
Prepaid expenses	2,168	(12,142)
Accounts payable and accrued liabilities and accrued salaries and benefits	75,316	(97,964)
Unearned revenue	376,798	(160,135)
	\$ 136,391	\$ (306,477)

11. BUDGET AMOUNTS

The budget amounts on these financial statements were prepared by Regional College Management and approved by the Board on June 3, 2008. The Minister approved the budget on September 17, 2008.

12. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

Related party expenses during the year were as follows:

	2009	2008
SaskEnergy	\$ 3,732	\$ 1,831
SaskPower	2,123	1,652
SaskTel and SaskTel Mobility	53,997	54,000
Saskatchewan Institute of Applied Science and Technology	298,084	289,734
Ministry of Government Services	66,843	79,428
University of Saskatchewan	51,295	62,207
University of Regina	6,371	5,572
	\$ 482,445	\$ 494,424

Other transactions with related parties are disclosed elsewhere in these financial statements and related notes.

13. FINANCIAL INSTRUMENTS RISKS

The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

14. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in the Teachers' Superannuation Plan (TSP) or the Saskatchewan Teachers Retirement Plan (STRP) which are administered by the Teachers' Superannuation Commission and the Saskatchewan Teachers' Federation respectively. The Board has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the required employer contributions of STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is a multi-employer defined benefit plan.

The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to \$103,688 (2008 - \$97,881).

15. CONTINGENT LIABILITY

A union representing employees of an employer unrelated to the College has applied by Notice of Motion for an order quashing purported decisions of the Municipal Employees Pension Plan, relating to the application of actuarial surplus in the fund, as well as other relief. Several participating employers, including the College, have been named. It is not possible to estimate the potential effect of the claim at this stage in the proceedings.

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION

FOR THE YEAR ENDED JUNE 30, 2009

Schedule 1

	2009									2009 Budget (Note 11)	2008 Total
	General	Skills Training		Basic Education		University	Services		Total		
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
Provincial Government											
Saskatchewan Advanced Education, Employment and Labour											
Operating grant	\$ 1,848,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,848,797	\$ 1,801,628	\$ 1,734,241
Program payments	7,000	1,084,701	123,041	875,685	194,694	85,922	253,861	92,430	2,717,334	2,182,603	2,261,557
Other	-	692	11,008	34,440	-	-	22,824	-	68,964	112,600	16,681
	1,855,797	1,085,393	134,049	910,125	194,694	85,922	276,685	92,430	4,635,095	4,096,831	4,012,479
Other Provincial	34,541	3,633	76,614	-	-	-	24,075	32,028	170,891	-	349,902
	1,890,338	1,089,026	210,663	910,125	194,694	85,922	300,760	124,458	4,805,986	4,096,831	4,362,381
Federal Government											
Admin recovery	-	-	-	-	-	-	-	-	-	-	-
Seat purchases	-	-	-	-	-	-	-	-	-	-	-
Projects	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	72,027	-	-	-	72,027	142,521	49,800
	-	-	-	-	72,027	-	-	-	72,027	142,521	49,800
Other Revenue											
Admin recovery	7,016	-	-	-	-	-	-	-	7,016	-	2,540
Contracts	-	50,619	105,378	168,171	50,526	5,805	24,614	-	405,113	326,864	280,711
Interest	36,417	-	-	-	-	-	-	-	36,417	85,000	97,680
Rents	1,330	-	-	-	-	-	-	-	1,330	-	400
Resale items	4,256	66,467	34,286	-	1,274	7,559	-	760	114,602	82,900	134,141
Tuition	-	238,414	853,430	200	2,533	45,574	10,351	-	1,150,502	880,210	915,274
Other	1,349	2,909	245	-	-	643	3,667	-	8,813	9,500	6,752
	50,368	358,409	993,339	168,371	54,333	59,581	38,632	760	1,723,793	1,384,474	1,437,498
Total revenues	1,940,706	1,447,435	1,204,002	1,078,496	321,054	145,503	339,392	125,218	6,601,806	5,623,826	5,849,679
Total operating fund expenses (Schedule 2)	2,026,945	1,135,486	940,709	971,477	281,822	216,601	551,672	162,902	6,287,614	5,843,692	6,114,006
Excess (deficiency) of revenues over expenses	\$ (86,239)	\$ 311,949	\$ 263,293	\$ 107,019	\$ 39,232	\$ (71,098)	\$ (212,280)	\$ (37,684)	\$ 314,192	\$ (219,866)	\$ (264,327)

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2009
Schedule 2

	2009									2009 Budget	2008 Total
	General	Skills Training		Basic Education		University	Services		Total		
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
										(Note 11)	
Agency contracts	\$ -	\$ 393,630	\$ 787,270	\$ 43,725	\$ 54,407	\$ 65,239	\$ 44,463	\$ -	\$ 1,388,734	\$ 947,896	\$ 1,141,473
Equipment	89,907	11,228	2,251	20,734	5,367	10,161	7,063	2,631	149,342	112,377	328,635
Facilities	175,189	16,063	3,426	8,056	17,429	1,360	187	-	221,710	259,129	252,870
Information technology	23,233	1,387	-	847	-	-	4,210	503	30,180	84,202	52,105
Operating (Schedule 3)	273,650	134,617	79,160	61,371	18,603	28,209	37,810	6,829	640,249	646,460	652,953
Personnel services	1,464,966	578,561	68,602	836,744	186,016	111,632	457,939	152,939	3,857,399	3,793,628	3,685,970
	\$ 2,026,945	\$ 1,135,486	\$ 940,709	\$ 971,477	\$ 281,822	\$ 216,601	\$ 551,672	\$ 162,902	\$ 6,287,614	\$ 5,843,692	\$ 6,114,006
		\$ 2,076,195		\$ 1,253,299			\$ 714,574				

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES

FOR THE YEAR ENDED JUNE 30, 2009

Schedule 3

	2009 Budget (Note 11)	2009 Total	2008 Total
Advertising	\$ 100,873	\$ 119,178	\$ 122,079
Association fees and dues	13,585	15,306	12,115
Financial services	3,500	4,692	3,373
In-service	29,370	8,234	8,402
Insurance	12,444	12,930	12,293
Materials and supplies	168,739	144,871	164,975
Postage, freight and courier	19,525	19,903	17,159
Printing and copying	27,950	13,033	19,579
Professional services	25,466	25,061	37,768
Resale items	72,400	115,312	99,643
Subscriptions	2,325	1,302	1,493
Telephone and fax	58,048	53,131	52,637
Travel	96,985	90,367	89,606
Other	15,250	16,929	11,831
	\$ 646,460	\$ 640,249	\$ 652,953

See accompanying notes

CUMBERLAND REGIONAL COLLEGE
OVER \$50,000 PERSONAL SERVICES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009
UNAUDITED

Bittman, Lyle	\$	76,916
Bothorel, Bev	\$	50,898
Devin, Patrick	\$	50,816
Goertzen, Beth	\$	51,043
Grassing, Debbie	\$	56,041
Jones, Kathleen	\$	61,258
Joyes, Carroll	\$	55,770
Kerslake, Linda	\$	71,768
Kezema, Kirk	\$	63,536
Kiverago, Susan	\$	57,484
Kulpa, Jim	\$	55,970
Lam Ma, Corinne	\$	64,216
Masich, Jackie	\$	53,167
McBain, Jennifer	\$	57,009
McPhee, Lynda	\$	58,731
Mellon, Brenda	\$	66,788
Mushinski, Valerie	\$	122,224
Schumilas, Dawn	\$	65,132
Serack, Leslee	\$	95,180
Solsten, Joy	\$	71,768
Staples, Andrea	\$	57,781
Stephenson, Sandra	\$	69,006
Stroeder, Kellie	\$	55,363
Teale, Cory	\$	64,216
Thompson, Teri	\$	59,806
Turgeon, Debbie	\$	59,356
Valleau, Elaine	\$	60,196
Webster, Trudi	\$	61,896
Zazelenchuk, Debbie	\$	66,956
TOTAL	\$	<u>1,860,291</u>

CUMBERLAND REGIONAL COLLEGE
OVER \$50,000 PAYEE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009
UNAUDITED

Blue Cross	\$	154,124.96
Canadian Modular Manufacturing Corporation	\$	150,000.00
Friggstad Downing Henry	\$	86,627.86
Melfort Journal	\$	50,376.33
Municipal Employees Pension Plan	\$	207,546.76
Ministry of Government Services	\$	66,843.46
Northeast School Division	\$	127,976.55
Receiver General	\$	1,001,758.91
S.I.A.S.T. Woodland Campus	\$	233,701.33
Sasatchewan Government Employees Union	\$	81,588.60
Saskatchewan Trucking Association	\$	668,271.04
Sask Tel	\$	54,000.00
S.I.A.S.T. Wascana Campus	\$	63,881.11
Total	\$	<u>2,946,696.91</u>

